

**FISCAL NOTE**  
**SB 2822 - HB 3235**

February 29, 2004

**SUMMARY OF BILL:** Requires the Commissioner of the Department of Finance and Administration to include, in every state contract, provisions that specify that the state shall only enter into contracts with companies whose corporate headquarters are located in the United States and who only employ citizens of the United States who reside within the United States, or any legal alien authorized to work in the United States.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - Exceeds \$100,000**

Estimate assumes:

- Potentially the most common state contracts that would be affected by this legislation are contracts for information technology services. The state has \$132,000,000 of contracts involving information technology. It is not uncommon to use *offshore* contractors for information system services. According to the Office of Information Resources for the Department of Finance and Administration, more than one percent of these contracts are outsourced. If one percent of these contracts are redistributed at an average price increase of 10%, this would increase expenditures to the state of \$132,000.
- Expenditures to the state will increase for departments to implement procedures to ensure compliance with this legislation during the original awarding of the contract and throughout the life of the contract. The Department of Finance and Administration's expenditures will increase to ensure compliance by procuring agencies.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director